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LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

to  
U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

TRUST INDENTURE

Dated as of May 1, 2008

\$27,500,000  
Louisville/Jefferson County Metro Government  
College Refunding and Improvement Revenue Bonds, Series 2008A  
(Bellarmine University Project)

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EXHIBIT A Form of Project Bond A-1

THIS TRUST INDENTURE dated as of May 1, 2008 (the “Indenture”) is by and between LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (the “Issuer”), a consolidated local government of the Commonwealth of Kentucky, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee (the “Trustee”).

### Recitals

A. The Issuer is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Kentucky Revised Statutes (“KRS”) 103.200 to 103.285 (the “Act”), to issue industrial building revenue bonds and to loan the proceeds thereof to any person to finance the cost of any “industrial building” (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth of Kentucky (the “State”), relieving conditions of unemployment, and encouraging the increase of industry therein.

B. The Act further authorizes the Issuer to issue its refunding bonds under the provisions of the Act to refund bonds issued and outstanding under the Act, together with any unpaid interest thereon, to create any necessary debt service reserve fund, and to pay the cost of any improvements or additions to the project financed from the proceeds of the bonds to be refunded, and of any premiums, expenses, and commissions required to be paid in connection therewith, which refunding bonds shall be payable from the revenues out of which the bonds to be refunded were payable.

C. Bellarmine University Incorporated (the “University”), formerly named Bellarmine College, a Kentucky nonprofit corporation and institution of higher education, has applied to the Issuer for the issuance of industrial building revenue bonds of the Issuer and the loan of the proceeds thereof to the University to (i) advance refund the outstanding Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue Bonds, Series 2006 (the “Prior Bonds”) (the refunding of the Prior Bonds being hereinafter referred to as the “Refunding Project”); (ii) finance the costs of completion of the construction, installation and equipping of an approximately 33,350 square foot facility consisting of classrooms and faculty offices, and the construction, installation and equipping of an approximately 38,900 square foot residence hall located at 2001 Newburg Road, Louisville, Kentucky, for use by the University in furtherance of its nonprofit educational purposes (such capital improvements being hereinafter collectively referred to as the “New Money Projects”, and the Refunding Project and the New Money Projects being hereinafter collectively referred to as the “Project”); and (iii) pay costs of issuance of the bonds.

D. The Issuer has determined to issue \$27,500,000 aggregate principal amount of its College Refunding and Improvement Revenue Bonds, Series 2008A (Bellarmine University Project) (the “Project Bonds”) pursuant to this Indenture and loan the proceeds thereof to the University pursuant to a Loan Agreement of even date herewith (the “Loan Agreement”) between the Issuer and the University to finance the costs of the Project.

E. The obligations of the University under the Loan Agreement (except for Unassigned Rights) are assigned to the Trustee as security under this Indenture for the Bondholders.

F. The Issuer has determined that the Project Bonds and the Trustee's certificate of authentication and the form of assignment and investment letter to be endorsed on the Project Bonds as provided herein shall be substantially in the forms set forth in Exhibit A hereto, with such variations, omissions and insertions as are required or permitted by this Indenture.

G. The execution and delivery of the Project Bonds and this Indenture have been duly authorized and all things necessary to make the Project Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure all Bonds issued and Outstanding under this Indenture, the payment of the principal or Redemption Price (as the case may be) thereof and interest thereon, the respective rights of the Bondholders, and the performance of the covenants contained in said Bonds and herein, the Issuer does hereby sell, assign, transfer, set over and pledge unto the Trustee, its successors in the trust and its assigns forever, all of the right, title and interest of the Issuer in and to the Trust Estate.

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of the Bonds issued and to be issued under this Indenture, except as otherwise expressly provided herein, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond.

## **ARTICLE 1. DEFINITIONS AND INTERPRETATION**

Section 1.1. Definitions. In this Indenture and any Supplemental Indenture (except as otherwise expressly provided or unless the context otherwise requires) terms used as defined terms in the recitals shall have the same meanings throughout the Indenture, and in addition the following terms shall have the meanings specified below. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

“Act” shall mean the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes.

“Additional Bonds” means the Additional Bonds which are authorized to be issued in one or more series from time to time under the Indenture.

“Administrative Expenses” shall mean all expenses of the Issuer which are properly chargeable as administrative expenses with respect to this Indenture, the Loan

Agreement, the Tax Compliance Agreement, and the Project, including reasonable fees and expenses of the Issuer's attorneys and other professional advisers as may be required by or in connection with the Loan Agreement and the Indenture and the enforcement thereof.

"Affiliate" shall mean, with respect to any Person, any Person which controls, is controlled by, or is under common control with such Person. For the purposes of the foregoing, one Person shall be deemed to control another if it owns more than 50% of the voting stock or other equity interest in the other Person or possesses the power (through membership or otherwise) to elect more than 50% of the other Person's governing body.

"Bond Counsel" shall mean an attorney or firm of attorneys, nationally recognized as experienced in matters pertaining to the validity of obligations of governmental issuers and the exclusion from Federal income taxation of the interest on such obligations, which attorney or firm of attorneys may be counsel to the Issuer, the Trustee or the University or any Affiliate thereof.

"Bond Fund" shall mean the fund so designated established pursuant to Section 5.3 of this Indenture.

"Bondholder" or "holder" shall mean each Person in whose name a Bond is registered on the Bond Register in accordance with the Indenture and the Bonds.

"Bond Register" shall mean the books of the Issuer for registration and transfer of Bonds.

"Bond Year" shall mean the twelve-month period ending each May 31.

"Bonds" means the Project Bonds and any Additional Bonds issued under the Indenture.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the State or the city in which the Designated Office of the Trustee is located are authorized by law to close, or (ii) a day on which the New York Stock Exchange is closed.

"Certified Resolution of the University" shall mean a copy of a resolution of the University Board or of a duly authorized committee thereof, certified by the Secretary or Assistant Secretary of the University to have been duly adopted and to be in full force and effect on the date of such certification.

"Certified Ordinance of the Issuer" shall mean a copy of an ordinance certified by the Metro Council Clerk of the Issuer to have been duly adopted by the Issuer and to be in full force and effect on the date of such certification.

"Clearing Fund" shall mean the fund so designated established pursuant to Section 3.1 of this Indenture.

“Closing Receipt,” means the Closing Receipt, dated the date of issuance of the Project Bonds, by and among the Issuer, the University, the Trustee, and the original purchaser of the Project Bonds.

“Closing Statement,” means the Closing Statement, dated the date of issuance of the Project Bonds, executed by the Issuer, approved by the University, and addressed to the Trustee.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations in effect thereunder from time to time.

“Construction Fund” shall mean the fund or funds, including the separate accounts therein, to be established by the Trustee pursuant to Section 4.1 of this Indenture.

“Contractor” shall mean a Person appointed by the University to serve as general contractor or construction manager for any portion of the New Money Projects.

“Cost” or “Costs” shall mean all costs properly chargeable to the capital account of the New Money Projects or which are incidental to the financing, refinancing, acquisition, construction, or installation of the New Money Projects and payable from the proceeds of the Bonds pursuant to the Act.

“Counsel” shall mean a duly licensed attorney-at-law or law firm who has reasonable experience in dealing with tax exempt obligations (who or which may be Bond Counsel or counsel for the University, the Trustee, or the Issuer) acceptable to the Trustee.

“Designated Office of the Trustee” means the corporate trust office of the Trustee in Louisville, Kentucky or such other corporate trust office of the Trustee as the Trustee shall designate by notice to the Issuer, the University and the Bondholders as the office of the Trustee for the registration, transfer and payment of the Bonds.

“Eligible Investments” means, to the extent permitted by law:

(i) Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) the Export-Import Bank of the United States, (b) the Federal Housing Administration, (c) the Government National Mortgage Association (“GNMA”), (d) the Rural Economic Community Development Administration (formerly known as the Farmers Home Administration), (e) the Federal Financing Bank, (f) the Department of Housing and Urban Development, (g) the General Services Administration, (h) the U.S. Maritime Administration or (i) the Small Business Administration.

(iii) Investments in direct obligations in any of the following agencies which obligations are not fully guaranteed by the full faith and credit of the United States (a) senior obligations by the Federal Home Loan Bank System, (b) senior debt obligations and participation



certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) issued by the Federal Home Loan Mortgage Corporation (“FHLMC”) or senior debt obligations and mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) of the Federal National Mortgage Association (“FNMA”) (c) obligations of the Resolution Funding Corporation (“REFCORP”) or (d) senior debt obligations of the Student Loan Marketing Association (“SLMA”) (excluding securities that do not have a fixed par value/or whose terms do not promise a fixed dollar amount at maturity or call date).

(iv) Investments in (a) U.S. dollar denominated deposit accounts, federal funds, bankers acceptances, and certificates of deposit of any bank whose short term debt obligations are rated “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 calendar days after the date of purchase (holding company ratings are not considered as ratings of a bank) or (b) Certificates of deposit of any bank, which certificates are fully insured by the Federal Deposit Insurance Corporation (“FDIC”).

(v) Investments in money market funds rated “AAAm” or “AAAm-G” by S&P.

(vi) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s, Inc. and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase.

(vii) Pre-refunded municipal obligations defined as follows: any bonds or other obligations rated “AAA” by S&P and “Aaa” by Moody’s (based on an irrevocable escrow account or fund) of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice.

(viii) Municipal obligations rated “Aaa/AAA” or general obligations of States with a rating of “A1/A+” or higher by both Moody’s and S&P.

The value of the above investments (paragraphs i-viii) shall be determined as follows:

“Value”, which shall be determined as of the end of each quarter, means that the value of any investments shall be calculated as follows:

- (a) for securities:
  - (1) computed on the basis of the bid price last quoted by the Federal Reserve Bank of New York on the valuation date and printed in the Wall Street Journal or The New York Times; or
  - (2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or
  - (3) the lower of two dealer bids on the valuation date. The dealer or their parent holding companies must be rated at least investment

grade by S&P and Moody's and must be market makers in the securities being valued.

- (b) as to certificates of deposit and banker's acceptances: the face amount thereof, plus accrued interest.

(ix) Repurchase agreements with (a) any domestic bank, domestic branch of a foreign bank or any banking affiliate which guarantees the provider and maintains at least two of the following: a financial strength rating of at least "A" by S&P, a financial strength rating of at least "A2" by Moody's or a financial strength rating of at least "A" by Fitch (but in no event rated less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch); or (b) any broker-dealer with "retail customers" or a related affiliate thereof which broker dealer has, or the parent company, which guarantees the provider and maintains at least two of the following: a financial strength rating of at least "A" by S&P, a financial strength rating of at least "A2" by Moody's or a financial strength rating of at least "A" by Fitch (but in no event rated less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch), which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (c) any other entity which maintains at least two of the following: a financial strength rating of at least "A" by S&P, a financial strength rating of at least "A2" by Moody's or a financial strength rating of at least "A" by Fitch (but in no event less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch) and acceptable to Radian, provided that:

- a) the repurchase agreement is collateralized with the obligations described in paragraphs (i) or (ii) above; or with obligations described in paragraph (iii) (a) and (b) above.
- b) the trustee will value the collateral securities at least weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within (2) business days.
- c) the market value of the collateral must be maintained at: 104% of the total principal of the repurchase agreement for obligations described in paragraphs (i) and (ii); 105% of the total principal of the repurchase agreement for obligations described in paragraph (iii) (a) and (b) above.
- d) the trustee or a third party acting solely as agent therefore or for the issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books).
- e) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected security interest in the collateral which is not subject to any prior liens, and substituted collateral and all proceeds thereof.
- f) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or

falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must (i) notify Radian within five (5) days of such ratings event, and (ii) at the direction of the issuer or the trustee (who shall give such direction if so directed by Radian), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the issuer or trustee.

(x) Investment agreements with (a) a domestic or foreign bank or corporation (other than a life or property casualty insurance company), or any banking affiliate which guarantees the provider and maintains at least two of the following: a financial strength rating of at least “AA-” by S&P, a financial strength rating of at least “Aa3” by Moody’s or a financial strength rating of at least “AA-” by Fitch (but in no event rated less than “A-” by S&P, “A3” by Moody’s or “A-” by Fitch); or (b) a monoline municipal bond insurance company or a subsidiary thereof and maintains at least two of the following: a financial strength rating of at least “AA-” by S&P, a financial strength rating of at least “Aa3” by Moody’s or a financial strength rating of at least “AA-” by Fitch (but in no event rated less than “A-” by S&P, “A3” by Moody’s or “A-” by Fitch); provided, that in all cases, by the terms of the investment agreement:

- a) interest payments are to be made to the Trustee at least one business day prior to debt service payment dates on the Bonds and in such amounts as are necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;
- b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the [Indenture] specifically requires the Issuer or the Trustee to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
- d) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the [Indenture];
- e) the term of the investment agreement may extend to the maturity date of the Bonds without Radian’s prior written approval provided it meets all of the requirements under paragraph (x) hereunder;
- f) the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and Radian) that such investment agreement is legal, valid, binding and enforceable upon the provider in

accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, Radian;

- g) the [Indenture] and investment agreement shall provide that if during its term:
  - (1) the provider's rating by any of S&P, Moody's or Fitch falls below 'AA-', 'Aa3' or 'AA-', respectively, the provider shall (I) notify the Issuer, the Trustee and Radian of such downgrade within 5 days of the date of the ratings downgrade taken by S&P, Moody's or Fitch, as applicable, and (ii) at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or the Holder of the Collateral Permitted Collateral (as defined below) which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and (iii) terminate the investment agreement; and
  - (2) the provider's rating by any of S&P, Moody's or Fitch is withdrawn or suspended or falls below "A-", "A3" or "A-", respectively, the provider shall (I) notify the Issuer, the Trustee and Radian within 5 days of the date of the ratings action taken by S&P, Mody's or Fitch, as applicable, and (ii) at the direction of the Issuer or the Trustee (who shall give such direction if, but only if, so directed by Radian), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment in either case with no penalty or premium to the Issuer or Trustee;
- h) The investment agreement shall state and an opinion of counsel shall be rendered that the trustee has a perfected first priority security interest in the Permitted Collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the trustee is in possession); and
- i) the investment agreement must provide that if during its term
  - (1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by Radian), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate;

- (2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate;
- (3) the provider fails to perform any of its obligations under the Investment Agreement (other than obligations related to payment or rating) and such breach continues for ten (10) days or more after written notice thereof is given by the Trustee to the provider, it shall be an event of default under the Investment Agreement; or
- (4) a representation or warranty made by the provider proves to have been incorrect or misleading in any material respect when made, it shall be an event of default under the Investment Agreement.

Permitted Collateral for Investment Agreements (“Permitted Collateral”):

- A. U.S. direct Treasury obligations,
- B. Senior debt and/or mortgage backed obligations of GNMA, FNMA or FHLMC and other government sponsored agencies backed by the full faith and credit of the U.S. government and approved by Radian.
- C. Collateral levels must be 104% of the total principal deposited under the investment agreement for U.S. direct Treasury obligations, GNMA obligations and full faith and credit U.S. government obligations and 105% of the total principal deposited under the investment agreement for FNMA and FHLMC.
- D. The collateral must be held by a third party, segregated and marked to market at least weekly.

(xi) Forward delivery agreements approved in writing by Radian (supported by appropriate opinions of counsel).

(xii) Other forms of investments approved in writing by Radian.

“Escrow Agent” means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Refunding Escrow Agreement, dated the date of issuance of the Project Bonds, between the University and the Escrow Agent.

“Favorable Opinion” shall mean an opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that: (i) the action proposed to be taken is authorized or

permitted by the Act and the Indenture and complies with their respective terms; and (ii) such will not adversely affect (A) the exclusion from gross income of the interest on the Bonds for purposes of Federal income taxation, or (B) any applicable tax exemption with respect to the Bonds provided under the laws of the State.

“Fund” means each of the funds established under the Indenture.

“Government Obligations” means (i) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or any Federal Reserve Bank).

“Indenture” shall mean this Trust Indenture between the Issuer and the Trustee as originally executed, or if amended or supplemented as herein provided, as so amended or supplemented.

“Insurance Trustee” shall mean The Bank of New York.

“Insurer” shall mean Radian Asset Assurance Inc., a corporation organized under the laws of the State of New York or any successor thereto.

“Officers’ Certificate” shall mean, in the case of the University, a certificate, executed by the President or Vice President and Secretary or Assistant Secretary of the University, and in the case of the Issuer, the Mayor and Metro Council Clerk of the Issuer.

“Outstanding Bonds” or “Bonds outstanding” or “Outstanding” with respect to the Bonds, means, as of the applicable date, all Bonds which have been authenticated and delivered under the Indenture, except:

(a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment or redemption on or prior to that date;

(b) To the extent permitted hereby, Bonds, or the portion thereof, the payment, redemption or purchase. for cancellation of which sufficient money has been deposited and credited with the Trustee pursuant to the Indenture on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected holders of that notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Indenture; and

(d) Bonds in lieu of which others have been authenticated under Section 2.5 of this Indenture;

provided that, in determining whether the holders of the requisite percentage of Bonds have concurred in any demand, direction, request, notice, consent, waiver or other action under the Indenture, Bonds that are owned by the University or an Affiliate of the University shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for such purpose, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not the University or an Affiliate of the University. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

"Person" shall mean an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any other unincorporated organization, a governmental body or any other political subdivision, a municipality, a municipal authority or any other group or entity.

"Pledged Revenues" shall mean the amounts payable to or received by the Issuer pursuant to, in accordance with, under or on account of the Loan Agreement and/or any other University Agreement.

"Policy" shall mean the financial guaranty insurance policy issued by Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Rating Service" shall mean Moody's Investors Service, a division of Moody's Corporation, and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and their respective successors.

"Redemption Price", when used with respect to a Bond, shall mean the principal amount of such Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

"Regulatory Body" shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America and in which no equity interest or voting rights are owned or held by any Person other than the United States of America or a division, department or agency thereof (b) the State, any political subdivision thereof, and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, and (c) any other public or governmental entity having or exercising regulatory jurisdiction and authority over the University, and in or with respect to which no equity interest or voting rights are owned or held by any Person other than the United States of America or the State or any County or municipality of the State, or any division, department or agency of any of the foregoing, but shall not include the Issuer.

"Reserve Fund" shall mean the fund created in Section 3.3 hereof.

“Reserve Fund Requirement” shall mean ten percent (10%) of the proceeds of the Bonds and shall be fully funded upon the issuance of the Bonds and any additional bonds.

“Securities Depository” or “DTC” shall mean The Depository Trust Company, New York, New York, and any successor thereto permitted by the Indenture.

“Sinking Fund” shall mean the fund so designated which is established pursuant to Section 5.4 of this Indenture.

“State” shall mean the Commonwealth of Kentucky.

“Supplemental Indenture” or “indenture supplemental thereto” shall mean any indenture amending or supplementing the Indenture which may be entered into in accordance with the provisions of this Indenture.

“Supplemental Loan Agreement” shall mean any agreement amending or supplementing the Loan Agreement which may be entered into by the Issuer and the University in accordance with the provisions of the Indenture and the Loan Agreement.

“Tax Compliance Agreement” means the Tax Compliance Agreement, dated the date of issuance of the Project Bonds, among the Issuer, the University, and the Trustee.

“Trustee” shall mean the Trustee named above, and its successor trustee or trustees under the Indenture.

“Trust Estate” shall mean all of the Issuer’s right, title and interest in and to (i) the Loan Agreement (except Unassigned Rights), the Gross Revenues and any other collateral from time to time securing the University’s obligations under the Loan Agreement; (ii) all moneys and securities held from time to time in the funds pledged under the Indenture for the benefit of the holders of the Bonds; (iii) all other property held by the Trustee and pledged under the Indenture for the benefit of the holders of the Bonds, and (iv) the Trustee’s rights under the University Agreements (as defined in the Loan Agreement)..

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State.

“University” shall mean Bellarmine University Incorporated, a Kentucky nonprofit corporation, and its successors and assigns.

“University Board” shall mean the Board of Trustees or other legally governing body vested with the power of management of the University.

“University Premises” shall mean all real property owned by the University located in Louisville, Kentucky, together with all buildings and improvements thereon and all furniture and equipment located on or in any such buildings or improvements, including the Project Facilities (as defined in the Loan. Agreement).



Section 1.2. Interpretation. Any reference herein or in the Loan Agreement to the Issuer or to any elected official, officer or employee thereof includes entities, elected officials, officers, or employees succeeding to their respective functions, duties, or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Any reference herein or in the Loan Agreement to a section or provision of the Act or to a section, provision, or chapter of the Kentucky Revised Statutes, or to any statute of the United States of America, includes that section, provision, or chapter as amended, modified, revised, supplemented, or superseded from time to time; provided, that no amendment, modification, revision, supplement, or superseding section, provision, or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of rights or obligations of the Issuer, the University, the Trustee or the Bondholders under the Indenture, the Loan Agreement, or any other instrument or document entered into in connection with any of the foregoing, including without limitation any alteration of the obligation to pay the principal or Redemption Price of and the interest on the Bonds in the amounts and manner, at the times, and from the sources provided in the Indenture and the Loan Agreement, except as permitted herein.

The use herein of the terms “redeem” and “redemption” shall include “prepay” and “prepayment”.

In the Indenture and the Loan Agreement, unless the context requires otherwise, words importing the singular number include the plural number and vice versa; the terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder”, “hereinafter” and similar terms refer to this Indenture or the Loan Agreement, respectively; the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Indenture or the Loan Agreement, respectively; and words of any gender include the correlative words of the other genders.

Section 1.3. Captions and Headings. The captions and headings in this Indenture and the Loan Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs, or clauses hereof or thereof.

## **ARTICLE 2. THE BONDS**

Section 2.1. Amounts and Terms of Bonds. The Project Bonds shall be limited to \$27,500,000 in aggregate principal amount, shall be numbered from I upwards, shall be in the authorized denomination of \$100,000 or any whole multiple thereof, shall initially be issued as a single bond certificate, and shall be substantially in the form set forth in Exhibit A attached, hereto; provided, however, that if the aggregate outstanding principal amount of the Project Bonds is not evenly divisible by \$100,000, one of the Project Bonds may be issued in the denomination of \$100,000 or any whole multiple thereof plus such additional amount as required to evidence the full outstanding aggregate principal amount of the Project Bonds and, provided further, that if the aggregate outstanding principal amount of the Project Bonds is less than \$100,000, one Project Bond may be issued in such lesser principal amount. All Bonds shall provide that principal or Redemption Price thereof and interest in respect thereto shall be payable only out of the Trust Estate, but the Issuer, upon deposit with the Trustee by the University of the

moneys required for such payment, shall make such other moneys available for that purpose. The Issuer in issuing the Bonds may use Committee on Uniform Security Identification Procedures (“CUSIP”) numbers (if then generally in use), and the Trustee shall use such CUSIP numbers in notices of redemption as a convenience to Bondholders, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers printed on the Bonds. The Issuer may cause a copy of the text of the opinion of Bond Counsel to be printed on or attached to any of the Bonds, and, upon request of the Issuer and deposit with the Trustee of an executed counterpart of such opinion, the Trustee shall certify by manual signature to the correctness of the copy appearing on the Bonds. All payments of principal or Redemption Price and interest shall be made at the times and places and in the manner set forth in the respective forms of the Bonds.

The Project Bonds shall be dated and mature, shall bear interest, and shall be subject to redemption as set forth in the form thereof attached as Exhibit A.

Section 2.2. Execution. The Bonds shall be executed by the manual or facsimile signature of the Mayor or Mayor *Pro Tem* of the Issuer, and its official seal thereon affixed (which may be in facsimile if permitted by law) and shall be attested by the manual or facsimile signature of the Clerk or Deputy Clerk of the Metro Council of the Issuer. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers signing such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

Section 2.3. Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

Section 2.4. Registration, Transfer and Exchange of Bonds, Persons Treated as Holders. The Bonds shall be issuable as fully registered bonds without coupons. The Trustee shall keep the Bond Register at the Designated Office of the Trustee. The Issuer hereby appoints the Trustee its registrar and transfer agent to keep the Bond Register and to effect such registrations and transfers of Bonds on behalf of the Issuer, subject to the provisions set forth above in this Section 2.4 regarding the registration and transfer of the Project Bonds. Bonds may be transferred upon the Bond Register upon delivery to the Trustee of such Bonds, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the holder of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds. No transfer of any Bond shall be effective until entered on the Bond Register. In like manner Bonds may be exchanged by the holders thereof or by their attorneys for Bonds of the same series and maturity and of authorized denomination or denominations, in the same aggregate principal amount and bearing the same rate or rates of interest.

In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the Bond Register and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same

series and maturity and interest rate for the aggregate principal amount which the holder is entitled to receive at the earliest practicable time in accordance with the provisions of the Indenture. Any such transfer or any exchange as described herein will be made without charge to the Bondholder, except for the payment of any taxes or other governmental charges relating to such transfer or exchange.

The Trustee shall not be required to issue, exchange, or transfer any Bonds of a series during a period beginning at the opening of business fifteen (15) days before the date of mailing a notice of redemption of Bonds of such series selected for redemption and ending at the close of business on the day of such mailing or for any Bond so selected for redemption in whole or in part.

New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Issuer, the Trustee, and any additional paying agent may treat the holder of any Bond as registered on the Bond Register maintained by the Trustee as the absolute holder thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the Issuer, the Trustee, or any such paying agent.

Notwithstanding any other provisions of this Section, Project Bonds shall be transferable on the Bond Register only upon presentation thereof to the Trustee accompanied by (i) a written instrument of assignment substantially in the form thereof set forth in the form of the Project Bonds attached hereto as Exhibit A, duly executed by the registered owner thereof or such owner's attorney or legal representative, and (ii) an Investment Letter in the form thereof set forth in the form of the Project Bonds attached hereto as Exhibit A (or in such other form as shall be reasonably satisfactory to the Trustee), for notation by the Trustee on the Registration Schedule attached to the Project Bonds indicating the name of the new registered owner, the date of transfer, the balance of principal due on the Project Bonds, and the date to which interest has been paid.

Section 2.5. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee shall thereupon authenticate and deliver a new Bond of like tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen. or destroyed Bond shall have matured or be about to mature, the Trustee may pay to the holder the principal amount of, and accrued interest on, such Bond upon the maturity thereof and

the compliance with the aforesaid conditions by such holder, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.5 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

Section 2.6. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds in authorized denominations, substantially of the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies, and security hereunder as definitive Bonds.

Section 2.7. Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption, including any Bonds purchased by the University and surrendered to the Trustee for redemption, and all Bonds purchased with moneys available for that purpose in any fund established under the Indenture 'at the time of such payment or redemption shall be canceled and destroyed by the Trustee. The Trustee shall annually deliver to the Issuer and the University a certificate of destruction in respect of all Bonds destroyed in accordance with this Section 2.7.

Section 2.8. Additional Bonds.

A. Provided that no Event of Default hereunder has occurred and is continuing, and if and to the extent then permitted by law, the Issuer reserves the right, at the request of the University, and subject to the University's compliance with all of its financial covenants set forth in Article 7 of the Loan Agreement while any of the Project Bonds are Outstanding, to issue Additional Bonds for any purpose permitted by the Act. Except as otherwise provided in the supplement to this Indenture pursuant to which such Additional Bonds may be issued, all Bonds issued under the Indenture shall be equally and ratably payable from and secured by the Pledged Revenues, and shall bear such dates and interest rates, have such maturity dates and redemption dates and Redemption Prices, and be issued at such prices as shall be approved in writing by the Issuer and the University.

B. Upon execution and delivery of appropriate supplements to the Indenture and the Loan Agreement, and delivery to the Trustee by the Issuer of the Additional Bonds as executed by the Issuer and an order of the Issuer to authenticate and deliver such Bonds, the

Trustee shall authenticate and deliver the Additional Bonds to the purchasers thereof and deposit or transfer the proceeds thereof as directed in the order to authenticate.

### **ARTICLE 3. ISSUANCE OF PROJECT BONDS**

Section 3.1. Issuance of Project Bonds; Application of Proceeds. The Issuer shall issue the Project Bonds upon execution of this Indenture; and the Trustee shall, at the Issuer's request, authenticate such Bonds and deliver them as specified in the request.

Immediately upon receipt by the Issuer of the proceeds of the sale of the Project Bonds, the Issuer shall transfer all such proceeds to the Trustee. The Trustee shall thereupon deposit such proceeds into the Clearing Fund, which is hereby created. The Trustee shall make transfers from the Clearing Fund to the Bond Fund, the Reserve Fund and the Construction Fund, to the Escrow Agent for deposit into the Escrow Fund established under the Escrow Agreement for the refunding of the 2006 Bonds, and to the Persons entitled thereto to pay the costs of issuance of the Bonds, all as set forth in the Closing Statement.

Section 3.2. Closing Statement; Payment by Trustee. The Trustee is authorized to. pay or to reimburse the University for the payment of the costs of issuance of the Project Bonds in the amounts set forth in the Closing Statement and to make the deposits to the Funds established hereunder and under the Escrow Agreement as directed in the Closing Receipt, and to make the payment to the holder of the 2006 Bonds, all as set forth in the Closing Statement. Any balance remaining in the Clearing Fund after payment of all costs of issuance of the Project Bonds shall be transferred to the Construction Fund.

Section 3.3 Reserve Fund. The Trustee shall deposit into the Reserve Fund hereby created the Reserve Fund Requirement.

### **ARTICLE 4. NEW MONEY PROJECTS**

Section 4.1. Establishment of Construction Fund. The Trustee shall establish a Construction Fund for the payment of Costs of the New Money Projects.

The Construction Fund shall consist of the amounts deposited therein pursuant hereto. The amounts in the Construction Fund, until applied as hereinafter provided, shall be held for the security of all Bonds Outstanding hereunder. Separate additional accounts within the Construction Fund not inconsistent with the accounts created hereunder shall be maintained by the Trustee upon request of the Issuer or the University whenever, in the opinion of the Issuer or the University, it is appropriate to have a separate accounting in respect of amounts deposited in or disbursed from the Construction Fund. Payments shall be made initially from the Construction Fund to pay any unpaid costs of issuance of the Project Bonds as and to the extent provided in the Closing Statement, including, without limitation, legal, engineering and consultant's fees, including amounts to be reimbursed to the University for Costs advanced, and thereafter to pay Costs of the New Money Projects.

Section 4.2. Payments from Construction Fund. The Trustee shall make payments from the Construction Fund only upon receipt of a requisition signed by an authorized officer of the University, identifying the Costs to be paid or reimbursed and stating (1) the name and address of the Person to whom the payment is to be made (which may be the University if the University is to be reimbursed for advances made or work done by it and properly chargeable against the Construction Fund); (2) the amount to be paid or reimbursed; (3) that the Cost was properly incurred by the University and is a proper charge against the Construction Fund; and (4) that the amount requisitioned is due and unpaid, and (5) that the funds in the Construction Fund are sufficient to complete construction and installation of the New Money Projects in accordance with the construction contract(s), Plans and Specifications and all applicable laws, ordinances and regulations, free and clear of all liens, claims and encumbrances.

Section 4.3. Procedure Upon Completion of New Money Projects. To the extent any amount remains unexpended in the Construction Fund after receipt of the certificate required by Section 3.2 of the Loan Agreement, the Trustee shall transfer such amount to the Bond Fund. The amount transferred to the Bond Fund shall be invested at a yield not in excess of the yield on the Project Bonds and applied to the payment of principal of the Project Bonds (upon any date specified for the payment of principal on the Project Bonds, whether at maturity, upon redemption, or otherwise) at the earliest practicable date (but the earliest practicable date shall not include any date upon which the Project Bonds are redeemable only at a premium).

Section 4.4. Procedures in the Event New Money Projects Not Completed. In the event the New Money Projects or any portion thereof shall not have been completed by the date that is three years after the date of issuance of the Project Bonds or by such later date, as in the opinion of Bond Counsel, is permitted under the Code, then the proceeds of the Project Bonds shall be, at the election of the University, (i) retained in the Construction Fund and invested at a yield not in excess of the yield of the Project Bonds and applied to remaining Costs of the New Money Projects, or (ii) shall be transferred to the Bond Fund and shall be invested at a yield not in excess of the yield on the Project Bonds and applied to the payment of principal of the Project Bonds (upon any date specified for the payment of principal on the Project Bonds, whether at maturity, upon redemption, or otherwise) at the earliest practicable date (but the earliest practicable date shall not include any date upon which the Project Bonds are redeemable only at a premium).

## **ARTICLE 5.**

### **REVENUES OF THE ISSUER, RECEIPTS AND GROSS REVENUES OF THE UNIVERSITY, AND APPLICATION THEREOF TO FUNDS**

Section 5.1. Payments to Be Sufficient. The Issuer shall require that the University shall make payments under the Loan Agreement so that the Pledged Revenues in any Bond Year are sufficient:

A. To pay the Administrative Expenses of the Issuer during such Bond Year;  
and

B. To pay the principal and interest payable on the Bonds during such Bond Year, including any Gross-up Interest.

Section 5.2. Pledge. The Issuer hereby pledges to the Trustee the Trust Estate is security for the performance of the obligations of the Issuer under the Indenture, and grants to the Trustee a security interest in the Trust Estate for such purposes. The pledge made herein shall be valid and binding from the time such pledge is made, and the covenants and agreements set forth herein to be performed by or on behalf of the Issuer shall be for the equal and ratable benefit, protection and security of the holders of the Bonds, all of which, regardless of their times of issue and maturity, shall be of equal rank, without preference, priority or distinction over any other Bond except as expressly provided therein or permitted by the Indenture. The Trust Estate held by or deposited with the Trustee shall immediately be subject to the lien of the pledge and security interest granted hereby without any physical delivery thereof or further act. Pursuant to the assignment of the Issuer's rights under the Loan Agreement, the Pledged Revenues shall be paid directly to the Trustee by the University. Upon receipt of any Pledged Revenues or other payments hereunder, the Trustee shall deposit the same in the Bond Fund.

Section 5.3. Bond Fund. The Trustee shall establish a Bond Fund and shall deposit the Pledged Revenues therein upon receipt and apply the same to the payment of the principal of and interest on the Bonds.

Section 5.4. Sinking Fund. The Trustee shall establish a Sinking Fund. The Trustee shall use the Sinking Fund to purchase or redeem Bonds.

Section 5.5. Reserve Fund and Operation Thereof. [TO COME]

Section 5.6. Procedure When Funds Are Sufficient to Pay All Bonds. If at any time the amounts held by the Trustee in the Funds established under this Article 6 are sufficient to pay the Redemption Price of and interest on all Bonds then Outstanding to maturity or prior redemption, together with any amounts due the Trustee, and redemption is then permitted hereunder and under the Project Bonds, the Trustee, at the request of the Issuer, as directed by the University, shall apply the amounts in the Funds to the payment of such principal or Redemption Price and interest and the Issuer shall not be required to pay over any further revenues unless and until it shall appear that there is a deficiency in the Funds or Accounts held by the Trustee.

Section 5.7. Moneys to Be Held for All Bondholders, With Certain Exceptions. Moneys and investments in the various Funds created under or pursuant to this Article 6 shall, until applied as provided with respect to the Fund, be held in trust by the Trustee for the benefit of the holders of all Outstanding Bonds, except that the Sinking Fund shall be held and is pledged specifically for the benefit of the holders of the Bonds entitled thereto.

Section 5.8. Payment Procedures While Bond Insurance is in Effect. As long as the Policy shall be in full force and effect the following payment procedures will be followed:

- (a) At least three (3) days prior to all Interest Payment Dates, the Trustee, will determine whether there will be sufficient funds to pay the principal of or interest on the Bonds on such Interest Payment Date. If the Trustee determines that there will be insufficient funds, the Trustee shall so notify the Insurance Trustee. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which

such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. The Insurer will make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which the Insurance Trustee shall have received notice of nonpayment from the Trustee.

(b) The Trustee shall, after giving notice to the Insurance Trustee as provided in (a) above, make available to the Insurer and the Insurance Trustee, the registration books of the Issuer maintained by the Trustee, and all records relating to the funds maintained under this [Bond Document].

(c) The Trustee shall provide the Insurer and the Insurance Trustee with a list of registered owners of Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to receive full or partial principal payments from the Insurer.

(d) The Trustee shall at the time it provides notice to the Insurance Trustee pursuant to (a) above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will remit to them all or part of the interest payments next coming due upon proof of owner entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee as determined by the Insurer, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurer to permit ownership of such Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Trustee and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Bonds for payment thereon first to the Trustee, who shall note on such Bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurer, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Trustee has notice that any payment of principal of or interest on a Bond which has become due for payment and which is made to a registered owner by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Insurance Trustee is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Insurer to



the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Insurance Trustee and the Insurer its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee and subsequently recovered from registered owners and the dates on which such payments are made.

(f) The Insurer shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Trustee, upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of the Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights as subrogee on the registration books of the [Issuer] maintained by the Trustee upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.

## **ARTICLE 6.**

### **SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS**

Section 6.1. Deposits and Security Therefor. All moneys received by the Trustee under the Indenture for deposit in any Fund established hereunder shall be considered trust funds, shall not be subject to lien or attachment and shall, except as hereinafter provided, be deposited in the commercial department of the Trustee, until or unless invested or deposited as provided in Section 6.2. All deposits in the commercial department of the Trustee (whether original deposits under this Section 6.1 or deposits or redeposits in time accounts under Section 6.2) shall, to the extent not insured, be fully secured as to principal and interest by Government Obligations. If at any time the commercial department of the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation. All deposits in any other depository in excess of the amount covered by insurance (whether under this Section or Section 6.2 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest by Government Obligations. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$500,000,000.

Section 6.2. Investment or Deposit of Funds. The Trustee shall, as directed by the University\_ and subject to the provisions hereof, invest moneys held in any of the Funds established hereunder only in Eligible Investments. All investments made pursuant to this Section 6.2 shall mature or be subject to redemption by the holder at not less than the principal amount thereof or the cost of acquisition, whichever is less, and all such investments shall mature or be subject to withdrawal without penalty not later than the date when the amounts will foreseeably be needed for purposes of the Indenture. All securities securing investments under

this Section 7.2 shall be (i) (A) in the case of Government Obligations which can be pledged by a book entry notation under regulations of the U.S. Department of the Treasury, appropriately entered on the records of a Federal Reserve Bank, or (B) in the case of other investments, either (1) deposited with the Trustee, with a Federal Reserve Bank, or with a bank or trust company which is acting solely as agent for the Trustee and has a combined net capital and surplus of at least \$250,000,000, or (2) if the investment is shown on the account of the pledgor on the books of a clearing corporation as defined in Section 8-102(a) of the Uniform Commercial Code as in effect in the State, perfected by “control” as defined in Section 9115 therein, (ii) subject to a perfected first lien security interest in favor of the Trustee, and (iii) free and clear of any and all liens, security interests, pledges, encumbrances or other claims of any other Person. The interest and income received upon investments and any interest paid by the Trustee or any other depository with respect to moneys in any Fund established hereunder and any profit (or loss) resulting from the sale of securities shall be credited (or debited, in the case of any such loss) to and retained in each such respective Fund in which such investment was held and credited to be held and disbursed for the purposes of each such Fund. Upon request of the University, or on its own initiative whenever payment is to be made out of any Fund, the Trustee shall sell such securities as may be requested or required to make the payment and deposit the proceeds thereof in and to the Fund in which such securities were held. Neither the Trustee nor the Issuer shall be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. Any investment made in accordance with this Indenture may (i) be executed by the Trustee by or through its Affiliates, and (ii) be made in securities of any entity for which the Trustee or any of its Affiliates serves as distributor, advisor, or other service provider.

Section 6.3. Valuation of Funds. In computing the assets of any Fund, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 6.2 hereof. The Trustee shall value such investments as of each June 1 and December 1, at the face value or the current market value thereof, whichever is the less, or at the redemption price thereof, if then redeemable at the option of the holder.

All funds established hereunder shall be invested only in Eligible Investments, provided, however, that amounts contained in the Reserve Fund shall be invested only in Eligible Investments with maturities not longer than ten (10) years, the average life of which is no longer than five (5) years; except, however, with respect to investment agreements as further provided under paragraph (x) under Eligible Investments in Schedule 6. Investments on deposit in all funds and accounts shall be valued at market value at least quarterly. No credit facilities, insurance policies, hedge or par-put agreements may be used without the prior written consent of the Insurer.

Section 6.4. Investment Restrictions. Notwithstanding anything to the contrary contained in Sections 6.1 and 6.2 hereof, moneys held in any Fund under this Indenture shall be invested in Eligible Investments only if the interest rate on such Eligible Investments is a market rate as determined in accordance with any regulations promulgated or proposed pursuant to the Code.

Section 6.5. Investment at Discretion of Trustee. If the University shall not give directions as to investment of money held by the Trustee, or if an Event of Default has occurred and is continuing hereunder, the Trustee shall make such investments in Eligible Investments as

are permitted under applicable law and this Indenture. The Trustee shall be permitted to charge to the University its standard fees and all expenses in connection with any services performed in accordance with this Section 6.5.

## **ARTICLE 7. REDEMPTION OF BONDS**

Section 7.1. Bonds Subject to Redemption; Selection of Bonds to Be Called for Redemption. The Project Bonds are subject to redemption prior to maturity as provided and on and subject to the terms and conditions in this Article 7 and in the form of the Project Bonds attached hereto as Exhibit A. If less than all the Bonds of a series and maturity are to be redeemed, the particular Bonds or portions of Bonds of such series and maturity to be called for redemption shall be selected by lot by the Trustee. If less than all Bonds of a series are to be called for redemption the particular maturities to be redeemed shall be selected by the Trustee, as directed by the University, upon written direction to the Trustee, except that mandatory sinking fund redemptions shall be made in direct order of maturity.

Redemption of the Bonds shall be permitted at any time without the Insurer's prior written consent so long as funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice expressly states that such redemption is subject to the deposit of funds by the Issuer. Purchase of Bonds in lieu of redemption shall require the prior written consent of the Insurer if any Bond so purchased is not canceled upon purchase.

Section 7.2. Notice of Redemption. When required to redeem Bonds under any provision of the Indenture or directed to do so by the University, on and subject to the terms and conditions hereof and of the Project Bonds, the Trustee shall cause notice of the redemption to be mailed to the holders of all Bonds to be redeemed at the addresses appearing in the Bond Register. Each such notice shall (i) identify the Bonds to be redeemed, (ii) specify the redemption date and the Redemption Price, (iii) be mailed not less than 30 days and not more than 60 days prior to the redemption date by first class mail, postage prepaid, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the Designated Office of the Trustee and from that date interest thereon will cease to accrue.

If at the time of mailing of notice of redemption the Issuer or the University shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption (except in the case of a sinking fund redemption), such notice shall state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

No defect affecting any Bond, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds.

In addition to the notice described in. the preceding paragraph and only if applicable, further notice shall be given by the Trustee as set out below, but no defect in said

further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

A. Each further notice of redemption given hereunder shall contain 'the information required above for an official notice of redemption, plus (i) the date of issue of the Bonds as originally issued; (ii) the rate of interest borne by each Bond being redeemed; (iii) the maturity date of each Bond being redeemed; and (iv) any other descriptive information needed to identify accurately the Bonds being redeemed.

B. Each further notice of redemption shall be sent at least twenty-five (25) days before the redemption date by registered or certified mail, overnight delivery service, or electronic notification to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Bonds (such depositories being on the date of execution and delivery hereof The Depository Trust Company of New York, New York, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Investors Service).

C. Such further notice shall be mailed by first class United States mail, postage prepaid, to The Bond Buyer of New York, New York, or to another financial newspaper or journal which regularly publishes notices of redemption of obligations similar to the Bonds.

D. Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The notices required to be given by this Section shall state that no representation is made as to the correctness or accuracy of CUSIP numbers listed in such notice or stated on the Bonds, if CUSIP numbers are printed on the Bonds.

Section 7.3. Payment of Redemption Price. If redemption of the Bonds is permitted hereby and by the Project Bonds, and (a) unconditional notice of redemption has been duly given or duly waived by the holders of all Bonds called for redemption or (b) conditional notice of redemption has been so given or waived and sufficient moneys for the redemption of all Bonds subject to such notice have been duly deposited with the Trustee, then in either case the Bonds or portion thereof called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, and Gross-up Interest, if any, to the redemption date. Payment of the Redemption Price together with accrued interest shall be made by the Trustee to or upon the order of the holders of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price, including accrued interest, the expenses of giving notice, and any other expense of redemption shall be paid out of the Sinking Fund or by the Issuer from moneys provided to it by the University.

## **ARTICLE 8. COVENANTS OF ISSUER**

Section 8.1. Payment of Principal and Interest on Bonds. The Issuer shall promptly pay the interest, Gross-Up Interest, and premium, if any, on and the principal of every Bond issued hereunder according to the terms hereof, but shall be required to make such payment only out of the Trust Estate; provided that such Bonds are payable solely from the loan repayments and other revenues derived in respect of the loan pursuant to the University Agreements and the Trust Estate and do not constitute an indebtedness of the Issuer within the meaning of the Constitution and laws of the State. The Issuer shall appoint solely at the direction of the University one or more paying agents for such purpose, each such agent to be a bank and trust company or a trust company or national banking association having trust powers. At the direction of the University, the Issuer hereby appoints the Trustee to act as paying agent and designates the Designated Office of the Trustee as the place of payment, such appointment and designation to remain in effect until notice of change is filed with the Trustee.

Section 8.2. Issuer's Existence. To the extent permitted by applicable law, the Issuer shall maintain its existence so long as the Bonds are Outstanding.

Section 8.3. Enforcement. The Trustee, as assignee of the Issuer hereunder, shall enforce payment of amounts payable under the Loan Agreement and University Agreements, and or supplements or amendments thereto or otherwise made subject to the lien and security interest created by the Indenture, and shall otherwise enforce all of its rights and privileges, and honor all of its obligations, thereunder and hereunder.

Section 8.4. Extension of Time for Payment of Interest Prohibited. The Issuer shall not extend, or consent to the extension of, the time for payment of any claim for interest, principal or premium on any of the Bonds and shall not be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest. The Issuer may not waive, modify or amend, or cause or permit any act or omission, that would prejudice or impair, any right, claim or remedy of the Trustee or the Bondholders with respect to the Bonds.

Section 8.5. Financing Statements and Other Action to Protect Security Interests. The Issuer (at the direction and sole cost of the University) shall cause the Indenture or a financing statement or memorandum relating thereto to be filed, registered and recorded in such manner and at such places as may be required by law fully to protect the security of the holders of the Bonds and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. From time to time, as reasonably requested by the Trustee, the Issuer (at the direction and sole cost of the University) shall obtain an opinion of Counsel and furnish a signed copy thereof to the Trustee, setting forth what, if any, actions by the Issuer or the Trustee are required or advisable to be taken to preserve such security. The Issuer (at the direction and sole cost of the University) shall perform or shall cause to be performed any such acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondholders, and the University shall furnish satisfactory evidence to the Trustee of recording, registering, filing and refiling of each such instrument and of every additional instrument which shall be

necessary to preserve the lien of the Indenture upon the Trust Estate or any part thereof until the principal of and interest on the Bonds and all other amounts secured hereby shall have been paid in full. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of the Indenture upon the Trust Estate or any part thereof until the aforesaid principal and other amounts shall have been paid in full.

Section 8.6. Further Assurances; Additional Revenues. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture. If at any time the Issuer receives any income or payment from or in respect of the Trust Estate or University Premises which is not assigned to the Trustee, it shall promptly pay the same to the Trustee for deposit into the Bond Fund and, at the request of the Trustee, shall execute and deliver an assignment of its right, title and interest in and to future income or payments of the same type to the Trustee to be held as part of Pledged Revenues and file or record such assignment, financing statement or other instrument or document as may be appropriate to perfect the security interest created thereby, provided that this sentence shall not apply to payments received for Administrative Expenses of the Issuer.

## **ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES**

Section 9.1. Events of Default Defined. Each of the following shall be an “Event of Default” hereunder:

A. payment of any installment of interest on the Bonds is not made when it becomes due and payable; or

B. payment of the principal or Redemption Price of any Bond is not made when it becomes due and payable at maturity or upon call for redemption or if any required transfer is not made into the Sinking Fund established under the Indenture at the time and in the amount required; or

C. any other Event of Default as defined in the Loan Agreement occurs; or

D. if the Issuer defaults in the due and punctual performance of any other covenant in the Bonds, the Indenture, the Loan Agreement, or any of the other University Agreements and such default continues for 30 days after written notice requiring the same to be remedied shall have been given to the Issuer and the University by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than 25% in principal amount of Bonds then Outstanding with the prior written consent of the Insurer.

Section 9.2. Acceleration and Annulment Thereof. If any Event of Default has occurred and is continuing the Trustee may, and upon written request of the holders of (i) in the

case of an Event of Default described in subsection A., B., or C. of Section 9.1 hereof, 25% in principal amount of the Bonds then Outstanding or (ii) in the case of an Event of Default described in subsection D. of Section 9.1 hereof, a majority in principal amount of the Bonds then outstanding, shall, upon being indemnified to its satisfaction, by notice in writing to the Issuer, declare the principal of all Bonds then Outstanding to be immediately due and payable, and upon such declaration the said principal, together with interest accrued thereon, and any applicable redemption premium shall become due and payable immediately at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding; provided, however, acceleration hereunder may only occur when the Trustee has obtained the prior written consent of the Insurer and at the written direction of the Insurer.

If after the principal of the Bonds has been so declared to be due and payable, all arrears of interest upon the Bonds are paid by the University, and the University also performs all other things in respect to which it may have been in default hereunder and pays the reasonable charges of the Trustee and the Bondholders, including reasonable attorneys' fees, then, and in every such case, the holders of a majority in principal amount of the Bonds then Outstanding, by written notice to the Issuer, the Trustee and the University, may annul such declaration and its consequences and such annulment shall be binding upon the Trustee and upon all holders of Bonds issued hereunder; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Section 9.3. Environmental Liability. Before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Law, the Trustee may require that a satisfactory indemnity bond, indemnity, or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against any environmental liability which may result from such foreclosure or other action.

The Trustee may use funds in the Trust Estate to pay expenses or obligations resulting from environmental liability and remediation that become due and owing during the administration of the trusts created hereby, unless such liability was caused by the act or omission of the Trustee or any officer or employee of the Trustee.

Section 9.4. Legal Proceedings by Trustee. If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the holders of, (i) in the case of an Event of Default described in subsection A., B., or C. of Section 9.1 hereof, 25% in principal amount of the Bonds then Outstanding or (ii) in the case of an Event of Default described in subsection D. of Section 9.1 hereof, a majority in principal amount of the Bonds then Outstanding, and receipt of indemnity to its satisfaction shall, in its own name:

A. cause to be filed in the public records of Jefferson County, Kentucky, either or both of the Contingent Mortgages, and exercise any and all rights and remedies pursuant thereto;

B. by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the University to carry out any other agreements with, or for the benefit of, the Bondholders and to perform its duties under the Act;

C. bring suit upon the Bonds for the payment and enforcement of all amounts due pursuant thereto;

D. by action or suit in equity require the University to account as if it were the Trustee of an express trust for the Bondholders;

E. by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders;

F. exercise any or all other rights and remedies provided for by the Act or by any other law relating to the Bonds or any agreement to which it is a party or which has been assigned to it; and/or

G. by any suit, action, or special proceeding in equity or at law, compel either the specific performance of any covenant or agreement contained herein or in aid or execution of any power granted herein.

H. Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined above, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Bonds or any trustee appointed for the benefit of the Owners under this Indenture as if the Insurer were the Owner of the Bonds insured by it.

Section 9.5. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

Section 9.6. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the holders of a majority in principal amount of the Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, including reasonable attorneys' fees, and (d) the Trustee shall have failed to comply with such request within a reasonable time, not to exceed 30 days.

Section 9.7. Trustee May Enforce Rights without Possession of Bonds. All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds.

Section 9.8. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and may be exercised concurrently or in such order and from time to time as the Trustee may elect in its discretion, subject to the direction of the Bondholders as provided herein..



Section 9.9. Delays and Omissions Not to Impair Rights; Effect of Waivers.

A. No delay or omission in the exercise of any right, power or remedy accruing upon any default shall impair such right, power or remedy or be a waiver of such default, and every right, power and remedy given by this Indenture or available at law or equity may be exercised from time to time and as often may be deemed expedient.

B. No waiver of any default or Event of Default hereunder shall extend to or affect any subsequent default or Event of Default or impair any rights or remedies consequent thereon.

Section 9.10. Application of Moneys in Event of Default. Any moneys received by the Trustee under this Article 10 shall be applied:

First: to the payment of the costs of the Trustee, including reasonable attorneys' fees, any disbursements of the Trustee with interest thereon and its reasonable compensation;

Second: to the payment of costs and expenses of the Issuer, including its reasonable attorneys' fees incurred in connection with the Event of Default;

Third: to the payment first of the premium, if any, then the interest, and then the principal then owing on -the Bonds, without preference or priority of one Bond over another or of any installment of interest or principal over any other installment of interest or principal;

Fourth: to the payment of any arbitrage rebate payments required to be made pursuant to the Tax Compliance Agreement.

The surplus, if any, shall be paid to the University or the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 9.11. Trustee's Right to Receiver; Compliance with Act. Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the immediate appointment of a receiver to enforce its rights and remedies hereunder or to protect all or any part of the Trust Estate, regardless of the adequacy of any security for the Bonds, and without notice to the University; and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act.

Section 9.12. Rights and Remedies of Bondholders. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder or under the Bonds unless a default shall have become an Event of Default, such holder previously shall have given to the Trustee written notice of the Event of Default and the holders of a majority in principal amount of the Bonds then Outstanding shall

have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 9.3, nor unless the Trustee shall for a period of 30 days thereafter fail or refuse to exercise the power hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the-execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in .any manner whatsoever to affect, disturb, or prejudice the security of this Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the holders of all Bonds. Nothing in this Indenture shall, however, affect or impair the right of any holder to enforce the payment of the principal of and premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and premium, if any, and interest on each of the Bonds to the respective holders thereof at the time and place from the sources and in the manner set forth in the Bond.

## **ARTICLE 10. THE TRUSTEE**

Section 10.1. Acceptance of Trust; Duties. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture and the Loan Agreement and University Agreements and is expressly authorized and directed to exercise the rights under the Loan Agreement granted to it hereunder and thereunder upon the terms and conditions set forth herein and therein. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties, covenants or obligations shall be read into this Indenture against the Trustee. The Trustee shall exercise such rights and powers vested in it by this Indenture and the Loan Agreement and University Agreements and shall use the same degree of care as a prudent Person in such capacity would exercise or use in similar circumstances in the conduct of his own affairs.

Section 10.2. No Responsibility for Recitals. etc. The recitals, statements, and representations in the Indenture or in the Bonds, save only the Trustee's certificate of authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof.

Section 10.3. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys or agents, and shall be entitled to advice of Counsel concerning all questions hereunder; and the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything

whatever in connection with the trust hereunder, except only its own willful misconduct or negligence.

Section 10.4. Compensation and Indemnity. The University shall pay the Trustee pursuant to the Loan Agreement reasonable fees for its services and reimbursement of advances, Counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under the Indenture and the Loan Agreement.

To secure the payment or reimbursement to the Trustee provided for in this Section, the Trustee shall have a senior claim, to which the Bonds are made subordinate, on all money or property held or collected by the Trustee, except money or property held under Article 13 or otherwise held in trust to pay principal of and interest on particular Bonds.

Section 10.5. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the University to effect or renew insurance or to report or file claims of loss thereunder. To the extent the Trustee receives proceeds of insurance or condemnation proceeds relating to the University Premises, it will apply such proceeds in accordance with Article 6 of the Loan Agreement.

Section 10.6. Notice of Default; Right to Investigation. The Trustee shall, within 30 days after the occurrence thereof, give written notice by first class mail to holders of Bonds of all Events of Default known to the Trustee, unless such Events of Default have been remedied. In the case of a default in payment of principal or interest or premium or sinking fund requirements, the Trustee shall give notice thereof within five Business Days by first class mail to the Issuer, the University and the holders of the Bonds. The Trustee may (but shall be under no duty to), however, at any time require of the University full information as to the performance of any of its obligation hereunder or under the Loan Agreement or any of the other University Agreements, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the University, an investigation into the affairs of the Issuer or the University related to the Indenture, the Loan Agreement, any of the other University Agreements, the Project and/or the University Premises.

Section 10.7. Obligations to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding, and, if in its opinion such action may tend to involve it in expense or liability unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provision of the Indenture to the Trustee to take action in respect to any default without such notice or request from the Bondholders, or without such security or indemnity.

Section 10.8. Reliance on Requisitions, etc. The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit,

voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement in the absence of actual notice to the contrary.

Section 10.9. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the University or the Issuer, provided that if the Trustee determines that any such relation is in conflict with its duties under the Indenture, it shall eliminate the conflict or resign as Trustee.

Section 10.10. Allowance of Interest. Upon request of the Issuer the Trustee may, to the extent permitted by law, allow interest upon any moneys which it receives under the Indenture at such rate as it customarily allows upon funds deposited under similar conditions (except as provided in Section 13.2 hereof).

Section 10.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation sent to the Issuer, the University and the Bondholders at least thirty days prior to such resignation. Such resignation shall take effect only upon the appointment of a successor Trustee.

Section 10.12. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the holders of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee, the Issuer and the University. So long as no Event of Default has occurred and is continuing, the University shall have the right to remove the Trustee by providing a written statement to the Issuer and the Trustee appointing a successor Trustee; provided, however, prior to an Event of Default the Insurer shall have the right to remove the Trustee for cause, and upon the occurrence of an event which constitutes or would, with the giving of notice or lapse of time, or both, constitute an Event of Default, the Insurer shall have the right to remove the Trustee for any reason.

Section 10.13. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or Regulatory Body, a vacancy shall forthwith exist in the office of the Trustee, the Issuer shall appoint a successor, which successor Trustee must be reasonably acceptable to the University if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, has occurred and is continuing, and such successor Trustee shall promptly give written notice of such appointment by first-class mail to the holders of all Outstanding Bonds. If the Issuer fails to make such appointment within 30 days, the holders of a majority in principal amount of the Bonds then Outstanding may do so. If a successor Trustee shall not have been appointed within 30 days after such resignation or removal, the Trustee, the University or any Bondholder may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor shall have been appointed as

above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided.

Section 10.14. Qualification of Successor. A successor trustee shall be a national bank with trust powers or a commercial bank and trust company having capital and surplus of at least \$500,000,000.

Section 10.15. Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the Issuer and the University an instrument accepting such appointment hereunder; and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver any and all instruments transferring to the successor trustee all the estate, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 10.16. Merger of Trustee. Any corporation or association into which the Trustee hereunder may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding, provided, however, that such successor corporation continuing to act as Trustee shall meet the requirements of Section 10.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article 10.

Section 10.17. Reports of Trustee. The Trustee shall provide monthly transaction statements and such other reports as may be reasonably required by the University, including satisfactory evidence of the collateralization of any certificates of deposit issued by its commercial department.

Section 10.18. No Obligation to Review University or Issuer Reports. The Trustee shall not have any obligation to review any financial statement or report provided to the Trustee by the University or the Issuer pursuant to this Indenture or the Loan Agreement or University Agreements, nor shall the Trustee be deemed to have notice of any item contained therein or Event of Default which may be disclosed therein in any manner. The Trustee's sole responsibility with respect to such reports shall be to act as the depository for such reports for the Bondholders and to make such reports available for review by the Bondholders in accordance with this Indenture.

## **ARTICLE 11.**

### **ACTS OF BONDHOLDERS**

Section 11.1. Acts of Bondholders. Any action to be taken by Bondholders may be evidenced by one or more reasonably concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by agent appointed in writing. The fact and date of

the execution by any person of any such instrument may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof or by an affidavit of a witness to such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of Bonds and the amount, numbers and other identification, and the date of holding the same shall be proved by the Bond Register. Any action by the holder of any Bond shall bind all future holders of the same Bond in respect of anything done or suffered by the Issuer or the Trustee in pursuance thereof. .

## **ARTICLE 12.**

### **AMENDMENTS AND SUPPLEMENTS**

#### Section 12.1. Amendments and Supplements without Consent of Bondholders.

The Indenture may be amended or supplemented from time to time, without the consent of, or notice to, but with the prior written consent of the Insurer, the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

A. to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

B. to cure any obvious ambiguity, supply any obvious omission or to cure, correct or supplement any obviously defective (whether because of any inconsistency with any other provisions hereof or otherwise) provision of the Indenture in such manner as shall not be inconsistent with the Indenture and shall not impair the security hereof or adversely affect the Bondholders or the exemption of interest on the Bonds from Federal income taxation;

C. to amend or supplement the Indenture or any indenture supplemental hereto in such manner as Bond Counsel may request in order to give an opinion that the interest on the Bonds will not be included in the gross income of the holders of the Bonds for federal income tax purposes so long as such amendments or supplements do not adversely affect any rights of any Bondholder hereunder;

D. to amend or supplement the Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States;

E. to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes, so long as no such amendment or supplement adversely affects any right of any Bondholder;

F. To make necessary or advisable amendments or additions in connection with the issuance of Additional Bonds in accordance with Section 2.9 hereof as do not adversely affect the Holders of Outstanding Bonds; and/or

G. to modify any of the provisions of the Indenture in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds issued after the date of the adoption of such supplemental Indenture and of Bonds issued in exchange therefor or in place thereof.

Section 12.2. Amendments with Consent of Bondholders. Any amendment or supplement of the Indenture and of the rights and obligations of the Issuer and of the holders of the Bonds thereunder, in any particular, may be made by a Supplemental Indenture, with the written consent of the holders of a majority in principal amount of the Bonds Outstanding at the time such consent is given and with the prior written consent of the Insurer. No such amendment or supplement shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price, if any, thereof, or in the rate of interest thereon or the security provisions hereof without the consent of the holders of such Bond, or shall reduce the percentage of Bonds the consent of the holders of which is required to effect any such amendment or supplement, or shall change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee in addition to the consent of and the Bondholders.

Section 12.3. Consent of Bondholders. The Issuer may at any time adopt a Supplemental Indenture making a supplement or amendment permitted by the - provisions of Section 12.2, to take effect when and as provided in this Section and with the prior written consent of the Insurer. A copy of such Supplemental Indenture, together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the holders of a majority in principal amount of the Outstanding Bonds, (b) a Favorable Opinion stating that such Supplemental Indenture has been duly and lawfully adopted by the Issuer in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (c) an opinion of Bond Counsel that such Supplemental Indenture will not cause any interest on the Bonds to be included in the income of the Bondholders for purposes of Federal income taxation, and (ii) a notice shall have been given as hereinafter in this Section 12.3 provided. Each such consent of a Bondholder shall be effective only if it complies with Section 12.1. Any such consent shall be irrevocable and binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). Any time after the holders of a majority in principal amount of the Outstanding Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that such consents have been filed. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating

in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of a majority in principal amount of the Bonds and will be effective as provided in this Section 12.3, may be given to the Bondholders by the Trustee by mailing such notice to the Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 12.3 provided).

Section 12.4. Amendment by Unanimous Consent. The terms and provisions of the Indenture and the rights and obligations of the Issuer and of the holders of the Bonds thereunder may be supplemented or amended in any respect upon the execution and delivery and filing by the Issuer of a Supplemental Indenture and the written consents of the holders of all the Bonds then Outstanding, such consent to be given as provided in Section 12.3 except that no notice to the Bondholders shall be required; provided, however, that no such supplement or amendment shall change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee in addition to the consent of the Bondholders.

Section 12.5. Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer or the University shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article 12, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article 12. At the time of any consent or other action taken under this Article 12, the Issuer and/or the University shall furnish the Trustee with an Officers' Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 12.6. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article 12 provided may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Designated Office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Issuer to conform to such action shall be prepared, authenticated and delivered, and upon demand of the holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same series and maturity then Outstanding, upon surrender of such Bonds.

Section 12.7. Trustee Authorized to Join in Amendments and Supplements: Reliance on Counsel. The Trustee is authorized to join with the Issuer in the execution and delivery of any Supplemental Indenture permitted by this Article 12 and in so doing shall be fully protected by an opinion of Counsel that such Supplemental Indenture is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

Section 12.8. Amendment of Loan Agreement without Consent of Bondholders. The Issuer may enter into, and the Trustee may consent to, any amendment of or supplement to the Loan Agreement without notice to or consent of any Bondholders, if the amendment or



supplement complies with Sections 12.1 and 12.2 hereof and is required (a) by the provisions of the Loan Agreement or the Indenture, (b) to cure any obvious ambiguity, inconsistency, defect or omission in the Loan Agreement, (c) to identify more precisely the New Money Projects, (d) in connection with the issuance of any Additional Bonds under this Indenture, (e) in connection with any authorized amendment of or supplement to the Indenture or (f) to make any change that does not adversely affect the rights of any Bondholder.

Section 12.9. Amendment of Loan Agreement with Consent of Bondholders. If an amendment of or supplement to the Loan Agreement without any consent of the Bondholders is not permitted by the foregoing Section, the Issuer may enter into, and the Trustee may consent to, with the prior written consent of the Insurer, such amendment or supplement of the Loan Agreement with 30 days prior written notice to the Bondholders and with the consent of the holders of a majority in principal amount of the Bonds then Outstanding. However, without the consent of each Bondholder affected, no amendment or supplement may (1) decrease any amount payable under the Loan Agreement, (2) change any date of payment under the Loan Agreement, (3) change any provision of the Loan Agreement with respect to amendment thereof, or release, subordinate or waive any security for payment of any Bond or any other obligation of the University or Issuer pursuant to the Indenture, Loan Agreement or University Agreements.

Section 12.10. Consents by Trustee and University to Amendments or Supplements. The Trustee and the University shall consent to any amendment or supplement to the Loan Agreement authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the University. Otherwise, the Trustee or the University may, but need not, consent to such amendment. In consenting to an amendment of or supplement to the Loan Agreement, the Trustee and the University shall be entitled to receive and shall be fully protected in relying on an opinion of Counsel stating that such amendment or supplement is authorized by the Indenture.

### **ARTICLE 13. DEFEASANCE**

Section 13.1. Defeasance. On and subject to the terms and conditions hereof and of the Project Bonds, when the interest on, and principal or Redemption Price (as the case may be) of, all Bonds issued hereunder have been paid, or there shall have been deposited (in accordance with the provisions and in the manner set forth in Section 13.2 hereof) with the Trustee an amount comprised of moneys or Government Obligations, and the principal of and interest on such securities, when due, without reinvestment, will provide sufficient moneys to fully pay the principal or Redemption Price of and interest on the Bonds, when due, as well as all other sums payable hereunder by the Issuer, and all amounts payable by the University under the University Agreements, all right, title and interest of the Trustee to the Trust Estate shall thereupon cease and the Trustee, on demand of the Issuer or the University, shall release the Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer or the University and shall turn over to the University or to such Personas may be entitled to receive the same all balances remaining in any Funds hereunder, except the amount deposited for the payment of debt service on the Bonds. Notwithstanding the foregoing, the rights of the Trustee to indemnification hereunder shall survive the termination of this Indenture.

Section 13.2. Deposit of Funds for Payment of Bonds. On and subject to the terms and conditions hereof and of the Project Bonds, if the University deposits with the Trustee funds sufficient to pay the principal or Redemption Price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, then interest on the Bonds shall cease to accrue on the due date and all liability of the Issuer and the University with respect to such Bonds shall likewise cease, except as otherwise provided herein; provided, however, that if such Bonds are to be redeemed prior to maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the holders of such Bonds shall be restricted exclusively to the fund so deposited for any claim of whatsoever nature with respect to such Bonds, and the Trustee shall hold such funds in trust for such holders.

Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Bonds more than 60 days prior to the date that such Bonds are to mature or be redeemed, the Trustee shall mail, by first class mail, postage prepaid, a notice to the holders of Bonds for the payment of which such moneys or obligations are being held at their registered addresses stating that such moneys or obligations have been deposited.

Moneys so deposited with the Trustee which remain unclaimed five (5) years after the date payment thereof becomes due shall, upon request of the University, if the University is not at the time to the knowledge of the Trustee in default with respect to any covenant contained in the Indenture, the Loan Agreement, the University Agreements or the Bonds be paid to the University; and the holders of the Bonds for which the deposit was made shall thereafter be limited to a claim against the University.

## **ARTICLE 14. MEETINGS OF HOLDERS**

Section 14.1. Purposes of Meetings. A meeting of the Bondholders may be called at any time and from time to time pursuant to the provisions of this Article 15 to take any action (i) authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Bonds, (ii) under any provision of this Indenture or (iii) authorized or permitted by law.

Section 14.2. Call of Meetings. The Trustee may (but shall not be obligated to) call at any time a meeting of Bondholders pursuant to Section 15.1 hereof to be held at any reasonable time and place the Trustee shall determine. Notice of such meeting, setting forth the time, place and the subject thereof, shall be mailed by first class mail, postage prepaid, not fewer than fifteen (15) nor more than sixty (60) days prior to the date of the meeting to the Bondholders at their addresses as they appear on the Bond Register on the fifth Business Day preceding such mailing, which fifth Business Day preceding the mailing shall be the record date for the meeting.

If at any time the holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding shall have requested the Trustee to call a

meeting of the Bondholders, by written request setting forth the purpose of the meeting, and the Trustee shall not have mailed the notice of the meeting within twenty (20) days after receipt of the request, then the holders, of Bonds in the amount above specified may determine the time and the place of the meeting and may call the meeting to take any action authorized in Section 14.1 hereof by mailing notice thereof as provided above.

Any meetings of holders of Bonds affected by a particular matter shall be valid without notice if the holders of all Bonds, or if applicable, the affected series of Bonds then Outstanding are present in person or by proxy, or if notice is waived before or after the meeting by the holders of all Bonds then Outstanding who were not so present at the meeting.

Section 14.3. Voting at Meetings. To be entitled to vote at any meeting of Bondholders, a Person shall (a) be a holder of one or more outstanding Bonds as of the record date for the meeting as determined above or (b) be a Person appointed by an instrument or document in writing as proxy by a Person who is a holder as of the record date for the meeting of one or more outstanding Bonds. Each holder or proxy shall be entitled to one vote for each \$100,000 principal amount of Bonds (or, if less, the minimum authorized denomination of any of the Outstanding Bonds) held or represented by it.

The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballots on which shall be subscribed the signatures of the holders of Bonds or of their representatives by proxy and the identifying number or numbers of the Bonds held or represented by them.

Section 14.4. Regulation of Meetings. Notwithstanding any other provision of the Indenture, the Trustee may make any reasonable regulations which it may deem to be advisable for meetings of Bondholders, with regard to:

- A. proof of the holding of Bonds and of the appointment of proxies,
- B. the appointment and duties of inspectors of votes,
- C. recordation of the proceedings of those meetings,
- D. the execution, submission and examination of proxies and other evidence of the right to vote, and
- E. any other matters concerning the conduct, adjournment or reconvening of meetings which it may think fit.

The Trustee shall appoint a temporary chair of the meeting by an instrument or document in writing, unless the meeting shall have been called by the Bondholders, as provided in Section 14.2 hereof, in which case the Bondholders calling the meeting, as the case may be, shall appoint a temporary chair in like manner. A permanent chair and a permanent secretary of the meeting shall be elected by vote of the holders of at least a majority in principal amount of the Bonds represented at the meeting and entitled to vote.

The only Persons who shall be entitled to be present or to speak at any meeting of Bondholders shall be the Persons entitled to vote at the meeting and their counsel, and any representatives of the Trustee and its Counsel.

Section 14.5. Meetings Not to Delay Rights Hereunder. Nothing contained in this Article 14 shall be deemed or construed to authorize or permit any hindrance or delay in the exercise of any rights, remedies or powers conferred upon or reserved to the Trustee or to the Bondholders under any of the provisions of the Indenture or of the Bonds by reason of any call of a meeting of holders or any right conferred expressly or impliedly hereunder to call a meeting.

## **ARTICLE 15. MISCELLANEOUS PROVISIONS**

Section 15.1. No Personal Recourse. No personal recourse shall be had for any claim based on the Indenture or the Bonds against any elected official, officer or employee, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such. successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds are payable solely from the Trust Estate and any other moneys held by the Trustee hereunder for such purpose. There shall be no other recourse under the Bonds, the Indenture, the Loan Agreement, or otherwise against the Issuer or any other property now or hereafter owned by it. The Issuer shall be conclusively deemed to have complied with all of its covenants and other obligations hereunder, upon requiring the University in the Loan Agreement to agree to perform such Issuer covenants and other obligations (excepting only any approvals or consents permitted or required to be given by the Issuer hereunder, and any exceptions to the performance by the University of the Issuer's covenants and other obligations hereunder, as provided herein or in the Loan Agreement). However, nothing contained in the Loan Agreement shall prevent the Issuer from time to time, in its discretion, from performing any such covenants or other obligations. The Issuer and its elected officials, officers and employees shall have no liability for any failure to fulfill, or breach by the University of, the University's obligations under the Bonds, the Indenture, any of the University Agreements or otherwise, including without limitation the University's obligation to fulfill the Issuer's covenants and other obligations under the Indenture.

Section 15.2. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto, the University, and the holders of the Bonds.

Section 15.3. Illegal Provisions Disregarded. If any term or provision of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforceable to the fullest extent permitted by law.

Section 15.4. Notices to Trustee, Issuer and Insurer. Any notice to or demand upon the Trustee shall be in writing and shall be served, presented or made at the Designated Office of the Trustee, presently U.S. Bank National Association, \_\_\_\_\_, Kentucky \_\_\_\_\_, Attention: Corporate Trust Services. Any notice to or demand upon the Issuer shall be in writing and shall be deemed to have been sufficiently given or served by the Trustee for all purposes by being sent by United States mail, postage prepaid, to Louisville/Jefferson County Metro Government, 527 W. Jefferson Street, Louisville, Kentucky 40202, Attention: Mayor, or such other address as may be filed by the Issuer with the Trustee. Any notice to or demand upon the Insurer shall be in writing and shall be served, presented or made at the Designated Office of the Insurer, presently Radian Asset Assurance Inc., 335, Madison Avenue, New York, New York 10017, Attention: Chief Risk Officer. Each such notice shall be effective (i) at 5:00 P.M. (Eastern Time) on the second business day after deposit in the U.S. certified or registered mail, (ii) 3 hours after transmittal by telecopy with evidence of transmission, or (iii) at 2:00 P.M. (Eastern Time) on the next business day after deposit with a reputable overnight courier service for next day delivery.

Section 15.5. Insurer as Party in Interest. The Trustee and the Issuer agree that the Insurer is a third party beneficiary of this Indenture and the Loan Agreement, and is a party entitled to (i) notify the Trustee of the occurrence of an Event of Default and (ii) request the Trustee to intervene in judicial proceedings that affect the Bonds or the security therefor.

Section 15.6. Interpretation. Notwithstanding any other provision of this Indenture in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee (or Paying Agent) shall consider the effect on the Bondholders without regard to the Policy.

The Trustee shall not be permitted to resolve ambiguities in the Indenture or Loan Agreement in any manner that shall be deemed to be conclusively binding on the Bondholders without the consent of the Insurer. The Insurer shall receive notice of any proposed meetings of Bondholders held under the Indenture and shall be given the opportunity to attend and participate in the same.

Any legal opinions rendered to any party to the Indenture or Loan Agreement as to compliance with or interpretation of, the provisions thereof, shall also be provided to the Insurer.

Section 15.7. Governing Law. The laws of the State shall govern the construction of the Indenture.

Section 15.8. Successors and Assigns. All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective permitted successors and assigns, whether so expressed or not, but the rights and obligations herein may not otherwise be assigned or transferred except as expressly provided herein..

Section 15.9. Counterparts. The Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Louisville/Jefferson County Metro Government has caused this Trust Indenture to be executed by its Mayor and Metro Council Clerk, and the Trustee has caused this Trust Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
Clerk of the Metro Council

APPROVED AS TO FORM AND LEGALITY:  
Irv Maze  
Jefferson County Attorney

By: \_\_\_\_\_  
James T. Carey, Assistant county Attorney

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U.S. Bank National Association, as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

[FORM OF PROJECT BOND]

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

COLLEGE REFUNDING AND IMPROVEMENT REVENUE BOND, SERIES 2008A  
(BELLARMINE UNIVERSITY PROJECT)

Dated May \_\_, 2008

No. \_\_\_\_

\$27,500,000.00

Louisville/Jefferson County Metro Government (“the Issuer”), a consolidated local government of the Commonwealth of Kentucky (the “State”), for value received, hereby promises to pay to RADIAN ASSET ASSURANCE, INC., or registered assigns (the “Bondholder”), Twenty-Seven Million Five Hundred Thousand and no/100 Dollars (\$27,500,000.00) together with interest on the unpaid principal balance thereof at the rate of \_\_\_\_ percent (\_\_\_%) per annum. Interest shall be computed based on a year consisting of twelve 30-day months.

Unless this Bond is redeemed as hereinafter provided, principal of and interest on this Bond shall be payable in three hundred (300) monthly installments of principal and interest, commencing on June 1, 2008 and continuing on the first day of each calendar month thereafter to and including May 1, 2038, the final maturity date of this Bond, in the respective amounts set forth on the attached Amortization Schedule. Principal of and interest on this Bond are payable in immediately available funds in lawful money of the United States of America.

The principal of and interest on this Bond are payable at the Designated Office of U.S. Bank National Association, as trustee, or of any successor trustee appointed under the Indenture hereinafter mentioned (the “Trustee”). The Designated Office of ‘the Trustee means the corporate trust office of the Trustee in \_\_\_\_\_, Kentucky, or such other corporate trust office of the Trustee as the Trustee shall designate by written notice to the Issuer, the University and the Bondholders as the Trustee’s office for the registration, transfer, and payment of Bonds. This Bond shall be surrendered to the Trustee for cancellation upon payment in full.

This Bond is issued pursuant to and in full compliance with the Constitution and laws of the State, particularly the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the “Act”), an ordinance of the Issuer duly enacted on \_\_\_\_\_, 2008 (the “Bond Ordinance”), and a Trust Indenture dated as of May 1, 2008 (as the same may be amended or modified, the “Indenture”) by and between the Issuer and the Trustee, and is subject to the terms and provisions of such Indenture. The Bond Ordinance authorizes the execution and delivery on behalf of the Issuer of the Indenture and a Loan Agreement dated as of May 1, 2008 (as the same may be amended or modified, the “Loan Agreement”) by and between the Issuer and Bellarmine University Incorporated, a

Kentucky nonprofit corporation and institution of higher education (the “University”); the issuance under the Indenture of the series of bonds designated as above and initially issued as a single fully registered bond (the “Bonds”); and the loan of the proceeds of the Bonds to the University pursuant to the Loan Agreement to finance and refinance capital improvements on the campus of the University within the boundaries of the Issuer for use by the University in furtherance of its nonprofit educational purposes; all for the public purposes declared in the Act of promoting the economic development of the State, relieving conditions of unemployment, and encouraging the increase of industry therein.

The Loan Agreement requires the University to make Loan Payments to the Trustee for the account of the Issuer sufficient for the prompt payment when due of the principal of and interest on the Bonds and any other amounts due under the terms of the Indenture, Bonds and University Agreements. The Loan Payments are to be paid directly to the Trustee and have been duly pledged by the Issuer for that purpose. The Bonds are secured under and entitled to the benefit and protection of the Indenture. Reference is hereby made to the Indenture and the Loan Agreement and University Agreements for a description of the security for and source of payment of the Bonds, the rights, duties, and obligations of the Issuer, the University, the Trustee, and the Bondholder, and the terms upon which the Bonds are issued and secured. Acceptance of the terms and conditions of the Indenture and the Loan Agreement is a material part of the consideration for the issuance of this Bond, and each holder hereof by acceptance of this Bond hereby assents to all of said terms and conditions.

This Bond is transferable on the records for the registration of the ownership of the Bonds (the “Bond Register”) maintained by the Trustee as bond registrar upon presentation of this Bond to the Trustee accompanied by (i) a written instrument of assignment substantially in the form attached to this Bond, duly executed by the registered owner hereof or such owner’s attorney or legal representative, and (ii) an Investment Letter in the form attached to this Bond (or in such other form as shall be reasonably satisfactory to the Trustee), for notation by the Trustee on the Registration Schedule attached to this Bond indicating the name of the new registered owner, the date of transfer, the balance of principal due on this Bond, and the date to which interest has been paid. The Trustee may treat the Person in whose name this Bond is registered as the absolute owner hereof for all purposes and shall not be affected by any other notice to the contrary.

This Bond is subject to optional redemption prior to maturity, in whole or in part, at the option of the Issuer, as directed by the University, on or after May 1, 2018 at 100 % of the outstanding principal amount hereof, together with accrued interest thereon to the date of redemption.

This Bond is subject to extraordinary optional redemption prior to maturity at the option of the Issuer, at the direction of the University, in whole or in part on any date, in any order of maturity designated by the University and within any maturity by lot, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date, but only in the event that all or a portion of the University Premises as defined in the Indenture having a value in excess of \$1,000,000 is damaged, destroyed, condemned or sold under threat of condemnation, and it is determined by the University that repair or reconstruction is not desirable, practical or financially feasible, from and to the extent of insurance proceeds or



condemnation awards or proceeds of any sale under threat of condemnation received by the University or the Trustee, as a result of such damage, destruction, condemnation or sale under threat of condemnation.

Any redemption of the Bonds shall be upon not less than 30 days and not more than 60 days prior notice by mailing a copy of the redemption notice by first class mail, postage prepaid, to the holders of Bonds at their addresses as shown on the Bond Register, and shall be in the manner and under the terms and conditions and with the effect provided in the Indenture. The failure to mail any such notice or any defect therein or in the mailing thereof as it affects any Bond shall not affect the validity of the redemption of any other Bond.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may declare the outstanding principal of the Bonds due and payable before its stated maturity, together with the interest accrued thereon to the date of payment.

Unless otherwise provided herein, capitalized and other terms used herein are used as defined in the Indenture.

No recourse shall be had for the payment of the principal or interest or any other amount due on this Bond, or for any claim based hereon or on the Indenture or the Loan Agreement, against any elected official, officer, employee, or agent, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such elected officials, officers, employees, and agents being released as a condition of and as an explicit and material part of the consideration for the execution of the Indenture and the Loan Agreement and the issuance of this Bond.

This Bond and the interest and any other amounts due hereunder do not constitute a general obligation or indebtedness of the Issuer within the meaning of the Constitution and laws of the State and are not a charge against the general credit or taxing power of the Issuer but are a limited obligation of the Issuer payable solely from and secured solely by the Pledged Receipts as defined in the Indenture.

This Bond is exempt from taxation by the State and all of its political subdivisions and taxing authorities.

Upon the occurrence of an Event of Taxability, as defined in the Loan Agreement, the Issuer shall be obligated to pay from the Trust Estate Gross-up Interest as defined in the Loan Agreement.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose unless the Trustee's Authentication Certificate attached hereto is duly executed.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed in its name by its Mayor and attested by the Clerk of the Metro Council under the official seal of the Issuer, all on the date first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Metro Council Clerk

(SEAL)

Approved as to Form and Legality:

Jefferson County Attorney

By: \_\_\_\_\_  
Assistant County Attorney

## TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within mentioned Indenture. Attached hereto is a complete text of the opinion of Frost Brown Todd LLC, Louisville, Kentucky, Bond Counsel, a signed original of which is on file with the undersigned Trustee, delivered and dated on the date of the original delivery of, and payment for, the bonds of said series.

Authentication Date: \_\_\_\_\_

U.S. Bank National Association, as Trustee

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## AMORTIZATION SCHEDULE

[FORM OF ASSIGNMENT]

ASSIGNMENT

\_\_\_\_\_  
please inset tax identification  
number of assignee

For value received the undersigned hereby sells, assigns and transfers the  
within \_\_\_\_\_ Bond \_\_\_\_\_ to

\_\_\_\_\_  
(please  
print or typewrite name and address of assignee) and does hereby irrevocably constitute and  
appoint the Trustee for the holders of said Bonds as the undersigned's attorney-in-fact to transfer  
said Bond on the Bond Register maintained by such Trustee for such purposes with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

\_\_\_\_\_  
NOTE: The signature of the assignor must  
be guaranteed by an eligible guarantor  
institution which is a member of or  
participant in a signature guarantee program,  
pursuant to Securities and Exchange  
Commission rule 17Ad-15 or any successor  
provision.

\_\_\_\_\_  
NOTE: The signature to this assignment  
must correspond with the name as it appears  
upon the face of the within Bond in every  
particular, without alteration or enlargement  
or any change whatsoever.

## REGISTRATION SCHEDULE

Before any transfer of this Bond is registered by the Trustee on the Bond Register and endorsed on this Registration Schedule, this Bond must be presented to the Trustee accompanied by (i) a written instrument of assignment substantially in the form attached to this Bond, duly executed by the registered owner hereof in person or by such owner's attorney or legal representative, and (ii) an Investment Letter in the form attached to this Bond (or in such other form as shall be reasonably satisfactory to the Trustee), for notation by the Trustee on this Registration Schedule indicating the name of the new registered owner, the date of transfer, the balance of principal due on this Bond, and the date to which interest has been paid.

Name and Address of New <u>Registered Owner</u>	Date of <u>Transfer</u>	Balance of <u>Principal Due</u>	Date to which <u>Interest Paid</u>	Signature of <u>Trustee</u>
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[FORM OF INVESTMENT LETTER]

\_\_\_\_\_, \_\_\_\_\_

U.S. Bank National Association, as Trustee

\_\_\_\_\_  
\_\_\_\_\_, Kentucky \_\_\_\_\_

Re:    Louisville/Jefferson County Metro Government  
      College Refunding and Improvement Revenue Bonds, Series 2008A  
      (Bellarmino University Project)

Gentlemen:

      In connection with its purchase today of a Bond of the above-referenced series, the undersigned certifies that it has such knowledge and experience in financial matters that it is capable of evaluating the merits and risks of its investment in the Bond and is not purchasing the Bond for more than one account with a view to distributing the Bond or offering the Bond for sale to any other person.

Yours truly,